EXHIBIT 15



The United States Department of Justice

Drug Enforcement Administration



Drug Trends Indianapolis, Indiana December 2012

Joseph Rannazzisi Deputy Assistant Administrator DEA Office of Diversion Control

Legend Drugs v. Controlled Substances

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	Schedule II	Schedule III	Schedule IV	Schedule V
Written	Yes	Yes	Yes	Yes
Oral	Emergency Only*	Yes	Yes	Yes
Facsimile	Yes**	Yes	Yes	Yes
Refills	No	Yes#	Yes#	Yes#
Partial Fills	Yes***	Yes	Yes	Yes

^{*} Must be reduced in writing, and followed by sign, hard copy of the prescription.

^{**} A signed, hard copy of the prescription must be presented before the medication is dispensed.

^{*** 72} hour time limitation

[#] With medical authorization, up to 5 in 6 months.

Carisoprodol





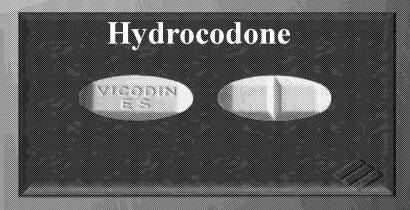
C-IV as of 1/11/2012

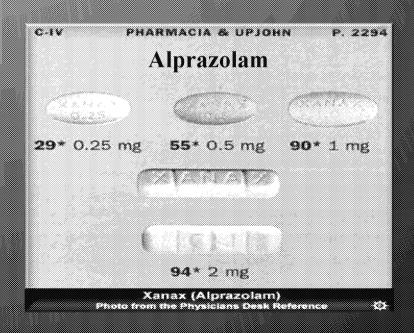
Case: 1:17-md-02804-CAR Doc #: 2816-5 Filed 10/14/19/5 of 112. Page Controlled rodol Pharmaceuticals







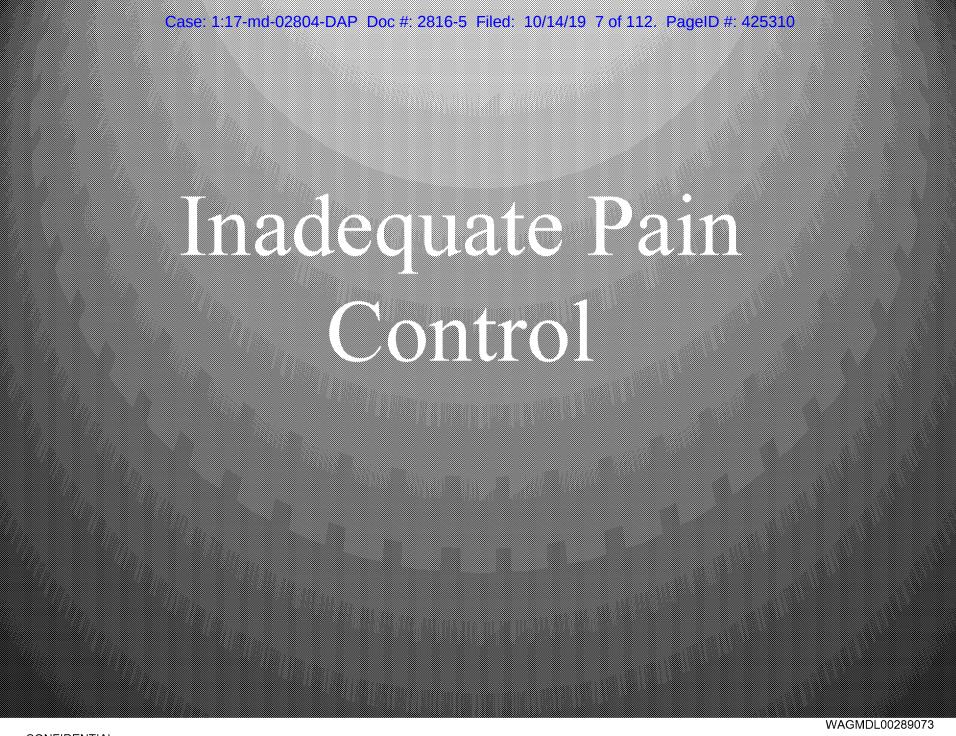


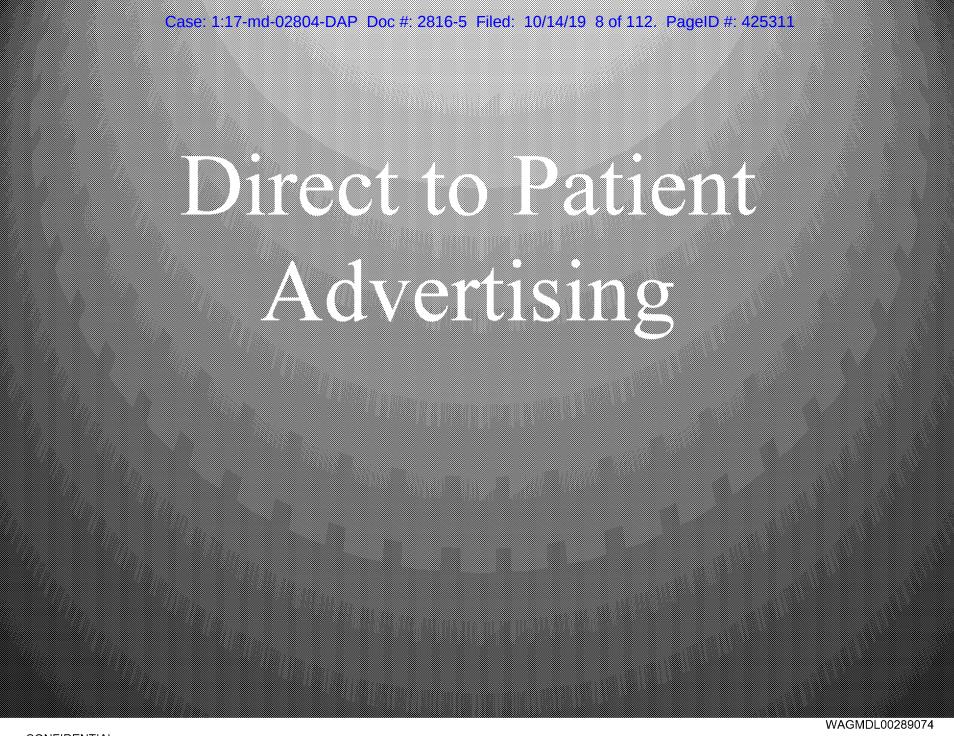


The Perfect Storm

- Industry is producing a wider variety of controlled substance pharmaceuticals
- Use of Medicare / Medicaid or insurance to fund drug habits
- Information / Electronic era

Web sites such as Erowid & Bluelight





2009 Current Users 2010

ANY ILLICIT DRUG:

21.8 million

(8.7% of population)

MARIJUANA: 16.7 million

PSYCHOTHERAPEUTIC DRUGS:

7 million

COCAINE: 1.6 million

HALLUCINOGENS: 1.3 million

METHAMPHETAMINE: 502,000

Source 2009 & 2010 NSDUH

ANY ILLICIT DRUG:

22.6 million

(8.9% of population)

MARIJUANA: 17.4 million

PSYCHOTHERAPEUTIC DRUGS:

7 million

COCAINE: 1.5 million

HALLUCINOGENS: 1.2 million

METHAMPHETAMINE: 353,000

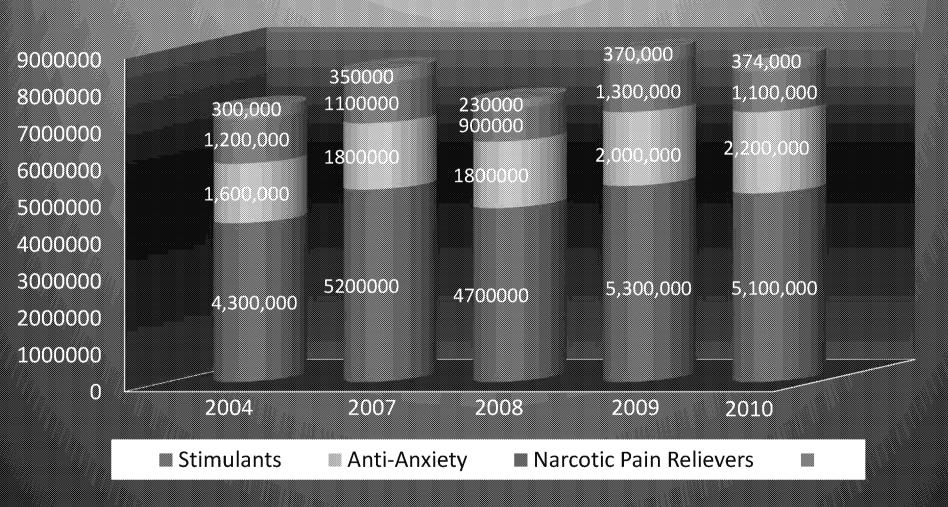
Prescription Drug Abuse

More Americans abuse prescription drugs than the number of:

Cocaine, Hallucinogen, Heroin, and Inhalant abusers

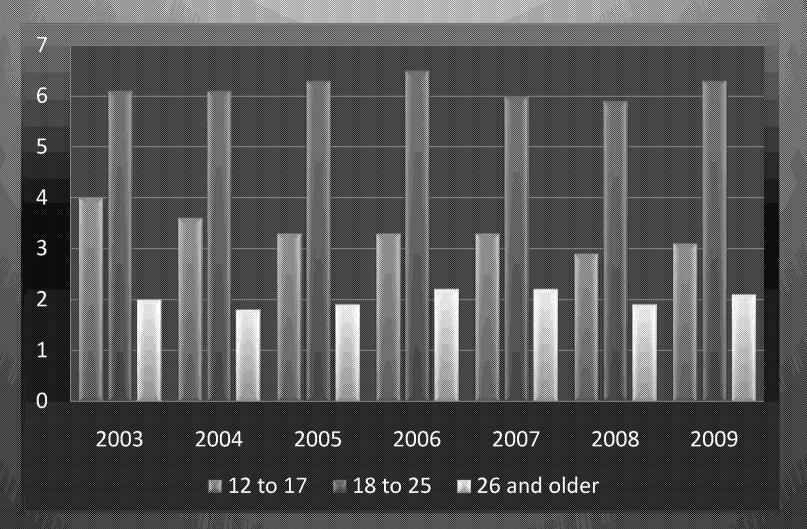
COMBINED!!!

Scope and Extent of Problem



Source: 2004, 2007, 2008, 2009, 2010 National Survey on Drug Use and Health

Percentage of Past Month Nonmedical Use of Psychotherapeutics by Age, 2003-2009



Source: National Survey on Drug Use and Health

Economic Impact – The Cascading Effect

2006 estimated cost in the United States from nonmedical use of prescription opioids

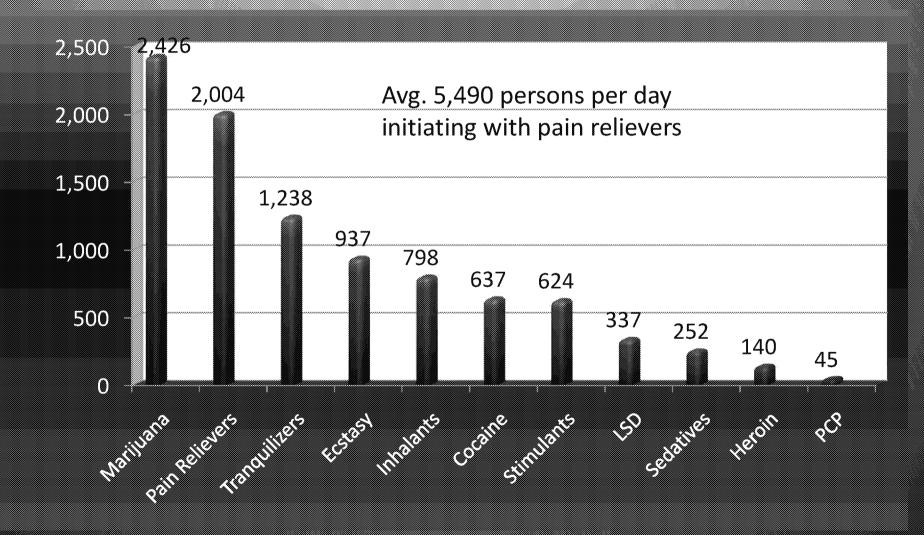
\$53.4 BILLION

- \$42 billion Lost productivity
- \$8.2 billion Criminal justice costs
- \$2.2 billion Treatment costs
- \$944 million Medical complications

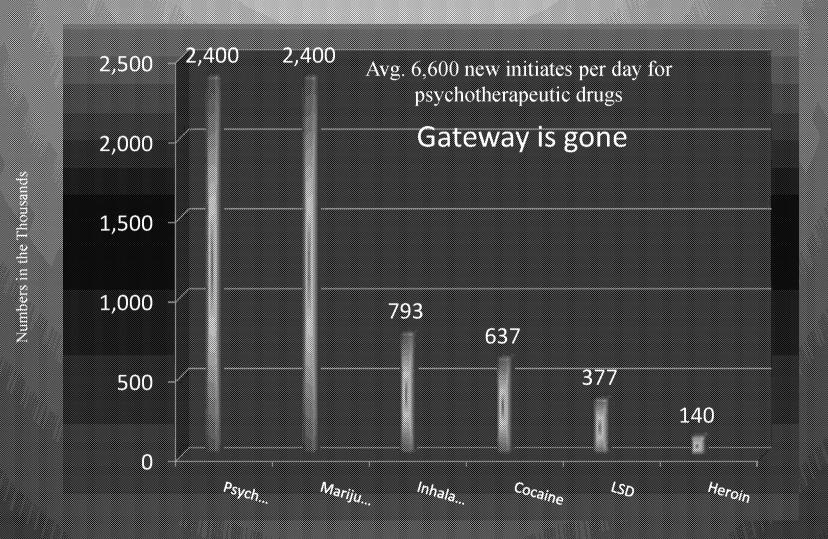
Five drugs — OxyContin®, oxycodone, hydrocodone, propoxyphene, a nd methadone accounted for two-thirds of the economic burden

Source: Clinical Journal of Pain, December 2010, University of Washington, Hansen RN; Oster, G; Edelberg, J; Woody, GE; and Sullivan, SD

Past Year Initiates for Specific Drugs Persons Aged 12 or Older 2010



New Initiates 2010 - 12 years and older



Source: 2010 NSDUH

Psychotherapeutics Include: Pain Relievers, Tranquilizers, Stimulants, and Sedatives

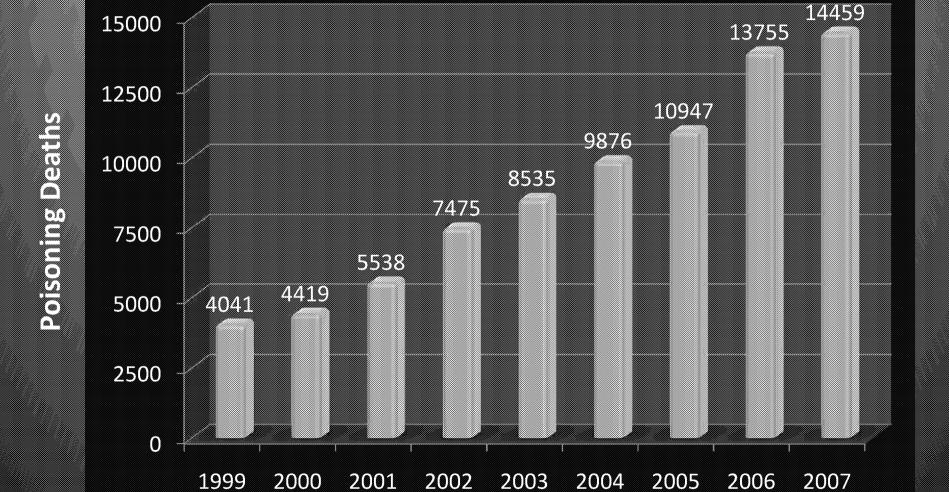
Emergency Room Data 2004-2009

- <u>Increase of 98.4%</u>: ER visits attributable to pharmaceuticals alone (i.e. with no other type of drug or alcohol) (627,291 to 1,244,679)
 - No Significant Change: ER visits attributable to eocaine, heroin, marijuana, or methamphetamine
- Rx Drugs most frequently implicated:
 - Opiates/Opioids pain relievers.
 - Oxycodone products 242.2% increase
 - Hydrocodone products: 124.5% increase
 - Fentanyl products 117.5% increase
 - Insomnia or Anti-Anxiety medications
 - Zolpidem 154.9% increase
 - Alprazolam 148.3% increase
 - Clonazepam 114.8% increase
 - Carisoprodol 100.6% increase
 - For patients aged 20 and younger misuse/abuse of pharmaceuticals increased 45.4%
 - For patients aged 20 and older the increase was 111%

SOURCE: The DAWN Report, *Highlights of the 2009 Drug Abuse Warning Network (DAWN) Findings on Drug-Related Emergency Department Visits*, December 28, 2010

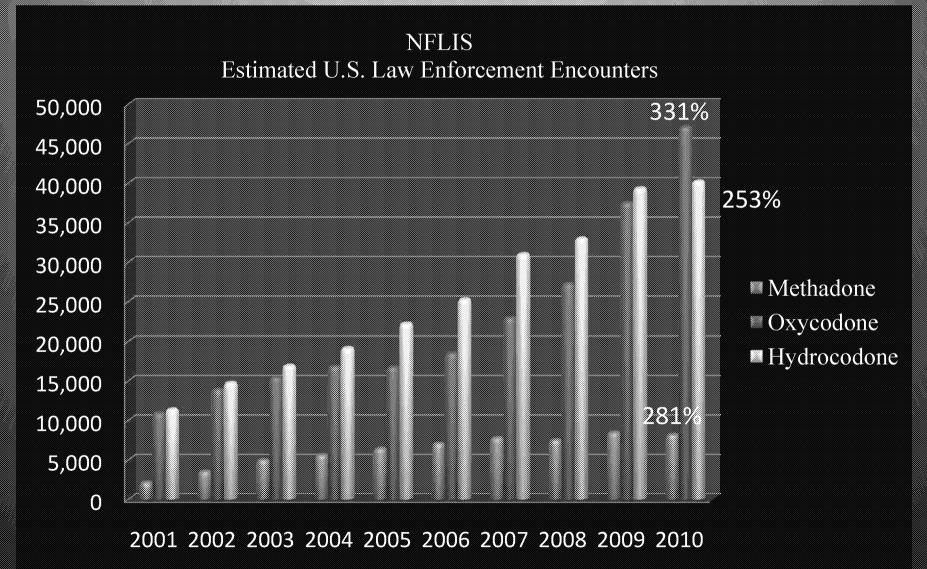
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Poisoning Deaths: Opioid Analgesics

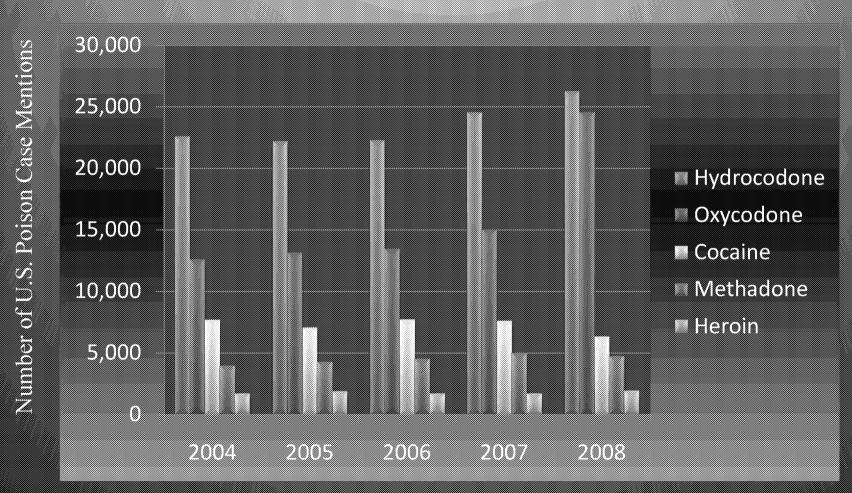


Source: CDC/NCHS, National Vital Statistics System

Number of Forensie Cases 2001-2010



Number of U.S. Poison Exposure Case Mentions 2004 - 2008



Source: American Association of Poison Control Centers (AAPCC) Annual Reports, 2004-2008

Sources of Information and Risks

% Learned a lot about risks of drugs from	1998	2004	2005	2007	2008	2009
School	41	42	38	37	44	39*
Parents	26	28	28	29	35	31
TV Commercials	17	36	26	31	31	26*
The Internet	11	23	22	25	29	29
Websites like YouTube	NA	NA	NA	NA	14	17*

* = Significant at the .05 level vs 2008

Source: Partnership for Drug Free America, March 2, 2010

Teens and Their Attitudes

% Agree strongly/somewhat	2008	2009	2010
Prescription drugs are available everywhere	42	55	38
Its easy to get prescription drugs from parent's medicine cabinets	56	63	47
Most teens get prescription drugs from their own family's medicine cabinets	59	62	51
Most teens get prescription drugs from their friends	53	62	49

Parents and Their Attitudes

Parents are still not discussing the risks of abusing prescription and over-the-counter medicines

Percent	2008	2009	2010
Beer/alcohol	79	79	81
Marijuana	79	79	77
Cocaine/crack	36	35	30
Prescription pain reliever w/o doctor's Rx	20	20	23
Any prescription drug used w/o doctor's Rx	21	20	22
Heroin	23	23	21
Ecstasy	21	20	21
Methamphetamine	23	21	21
Non-prescription cold/cough medicine to get high	15	14	15

SOURCE: 2010 Partnership Attitude and Tracking Study (PATS) Released Apr. 2011

We will not arrest our way out of this problem!!!!!!

- Enforcement is just as important as....
- Prevention/Education
- Treatment



ONDCP Strategy



"Epidemic: Responding To America's Prescription Drug Abuse Crisis" (Released in April 2011)

Highlights:

- Education
 - Healthcare Provider Education
 - Parent, Youth, and Patient Education
- Tracking and Monitoring
 - Work with states to establish effective PDMPs
 - Support NASPER
 - Explore reimbursements to prescribers who check PDMPs before writing a prescription



ONDCP Strategy con't



- Proper Medicine Disposal
- Innomeniani
 - Assist states address doctor shopping and pill mills
 - Increase HIDTA intelligence-gathering and investigation of prescription drug trafficking
 - Expand the use of PDMPs to identify criminal prescribers and clinics
- Prescription Drug Abuse Plan Goals
 - 15% reduction in non-medical use of prescription-type psychotherapeutic drugs;
 - Write and disseminate a Model Pain Clinic Regulation Law within 12 months;
 - Implement REMS for long-acting and extended release opioids within 12 months

Most Frequent Method of Obtaining a Pharmaceutical Controlled Substance for Non Medical Use

Friends and Family...For Free!!

The Medicine Cabinet and the Problem of Pharmaceutical Controlled Substance Disposal

So Many Drugs in the Household – Why?

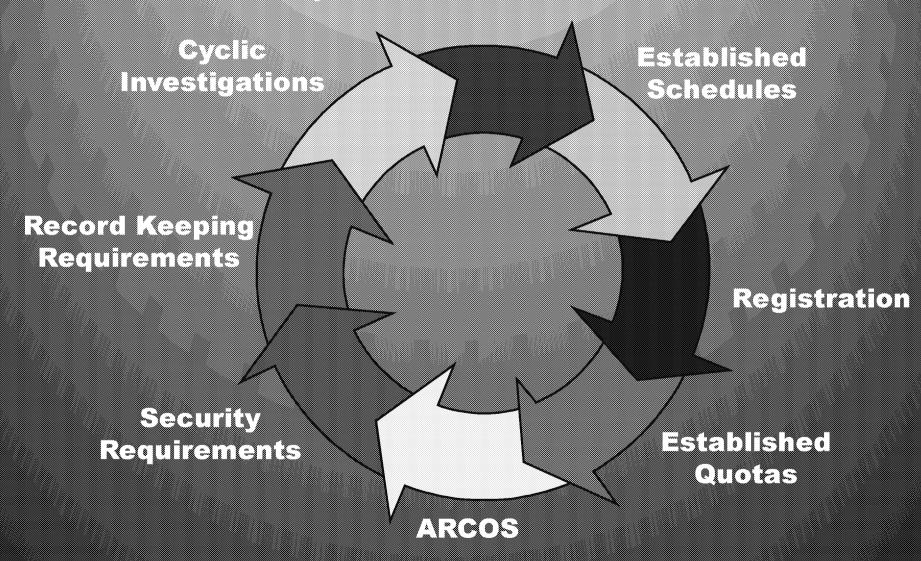
- Unreasonable quantities being prescribed
- Insurance rules

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- Legal foundation of federal government's authority for controlled substances and listed chemicals.
- System of U.S. compliance with international treaties.
- Established a "closed system" of distribution

The USA's

Closed System of Distribution



How Do You Lose Your Registration?

The Order to Show Cause Process

21 USC § 824

- a) Grounds -
- Falsification of Application
- 2. Felony Conviction
- 3. State License or Registration suspended, revoked or denied– no longer authorized by State law
- 4. Inconsistent with Public Interest
- Excluded from participation in Title 42 USC § 1320a-7(a) program
- b) AG discretion, may suspend any registration simultaneously with Order to Show Cause upon a finding of Imminent Danger to Public Health and Safety

Closed System

- Under the CSA, Congress established a "closed system" of distribution to prevent the diversion of controlled substances.
- All persons who lawfully handle controlled substances must be registered with DEA or exempt from registration.
- Ultimate users are not required to register with DEA to possess controlled substances.

CSA Definitions

- An "ultimate user" is a person who has lawfully obtained, and who possesses, a controlled substance for his own use or for the use of a member of his household or for an animal owned by him or by a member of his household.
- To <u>distribute</u> means to deliver (other than by administering or dispensing) a controlled substance or a listed chemical.

21 U.S.C. 802

The Ultimate User and Drug Disposal

ONDCP Guidelines

 ONDCP guidelines for the disposal of ultimate user medications, including dispensed controlled substances (2/20/07).

 Advise public to flush medications only if the prescription label or accompanying patient information specifically states to do so.

 ONDCP recommends a minimal deactivation procedure, and disposal in common household trash.

Law Enforcement Involvement

- Law enforcement officers, acting to enforce laws regarding the abandonment of controlled substances, may receive controlled substances from ultimate users.
- Law enforcement must safeguard the controlled substances and ensure that they are destroyed properly.
- Law enforcement must be present during the destruction of the controlled substances.

U.S. Drug Enforcement Administration



Got Drugs?

Turn in your unused or expired medication for safe disposal Saturday, Sept. 25th

Click here for a collection site near you.















U.S. Department of Justice Drug Enforcement Administration

Office of Diversion Control

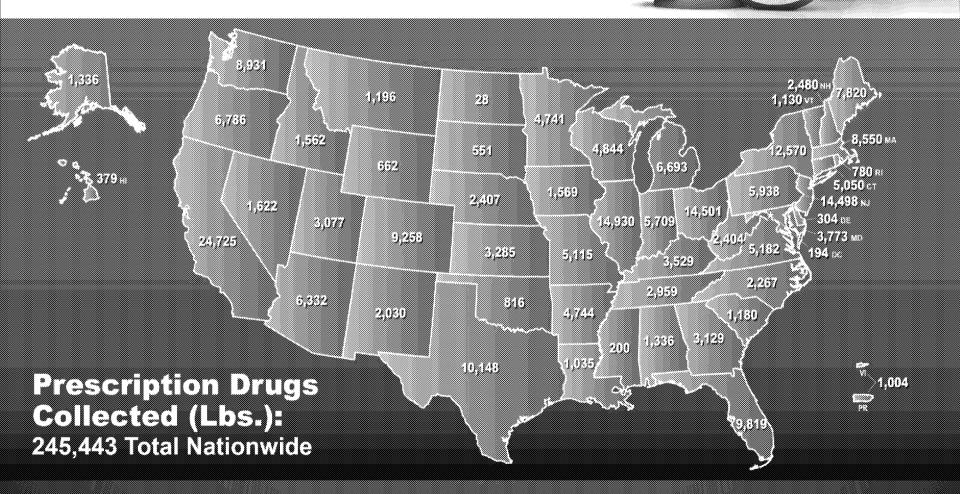
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- On Santamber 30 1, the American public turned in more than 245,000 lbs of
 prescription drugs for safe and proper disposal. More than 4,000 take back sites
 were available in all 50 states with approximately 3000 agencies participating in the
 initiative.
- The second nationwide take-back event, on \text{\text{ord}} \text{\text{\$200}} featured over 5200 collection sites with over 3800 Federal, state and local agencies involved in the initiative. This initiative took in approximately \text{\text{\$800}} ons of unwanted, unused or expired medication at collection sites throughout the U.S. This includes collections from Long Term Care Facilities that were not involved in the previous collection event.
- The third nationwide take-back event, on October 29, 2011 featured over 5300 collection sites with over 3900 Federal, state and local agencies involved in the initiative. This initiative took in approximately 180 lons of unwanted, unused or expired medication at collection sites throughout the U.S. This includes collections from Long Term Care Facilities, tribal lands and military installations. Collections were greater than previous initiative dates despite the snow storm that crippled many parts of the northeast that limited access to collection sites.

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Got Drugs?

unused



DRUG ENFORCEMENT ADMINISTRATION | DIVERSION CONTROL PROGRAM

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Secure and Responsible Drug Disposal Act of 2010

- Enacted in October 2010 (Pub. L. 111-273, codified at 21 U.S.C. 822(g) and 823(b)(3))
- Act allows an ultimate user to "deliver" a controlled substance "to another person for the purpose of disposal" in accordance with regulations issued by DEA
- If the ultimate user dies while in lawful possession of the controlled substance, then
 any person lawfully entitled to dispose of the decedent's property may deliver the
 controlled substance to another person for the purpose of disposal.
- DEA may also, by regulation, authorize long term care facilities (LTCFs) to dispose
 of controlled substances on behalf of ultimate users who reside or have resided at
 the LTCF.
- DEA is working to promulgate regulations to implement this Act. DEA must consider:
 - Public health and safety
 - Ease and cost of program implementation
 - Participation by various communities
 - Diversion Control
- Participation is voluntary. DEA may not require any person to establish or operate a delivery or disposal program.

Ultimate User Disposal

- ANPRM published on January 21, 2009 in the Federal Register
- Disposal of Controlled Substances by Persons
 Not Registered With the Drug Enforcement
 Administration"
- Seeking options for the safe and responsible disposal of patient owned controlled substances consistent with CSA
- Comment period ended March 23, 2009

Ultimate User Disposal

 Solicited information on the disposal of es dispensed to ultimate user from:

- ✓ ultimate users
- ✓ law enforcement
- ✓ interest groups
- ✓ long-term care facilities
- ✓ hospices and in-home care groups

- ✓ pharmacies
- ✓ reverse distributor
- ✓ state regulatory
- agencies
- ✓ other interested
 - / parties

158 Comments Received

Secure and Responsible Drug Disposal Act Public Meeting – January 19-20 2011

- Many different views on how to proceed
- Questions concerning who will fund

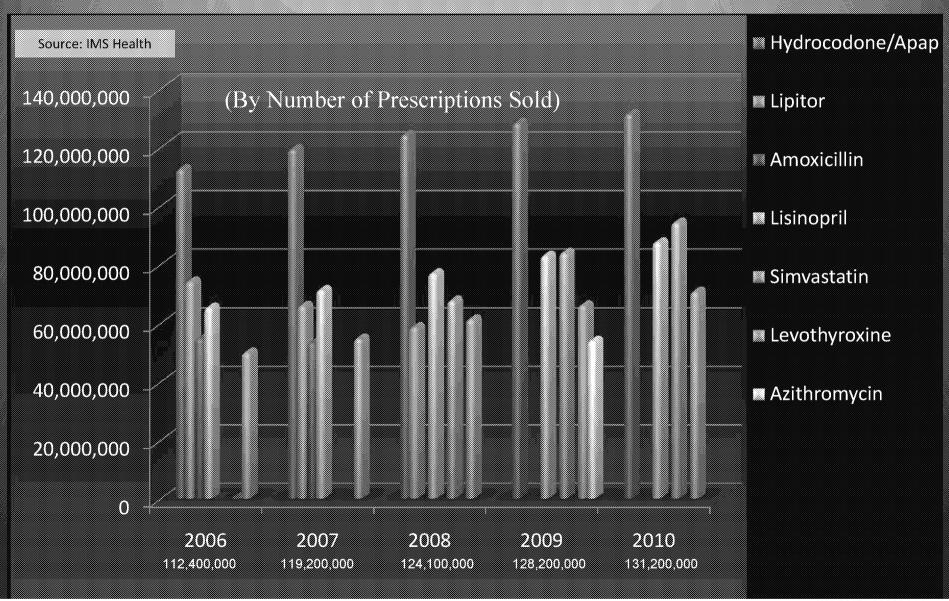
Other trends related to the medicine cabinet

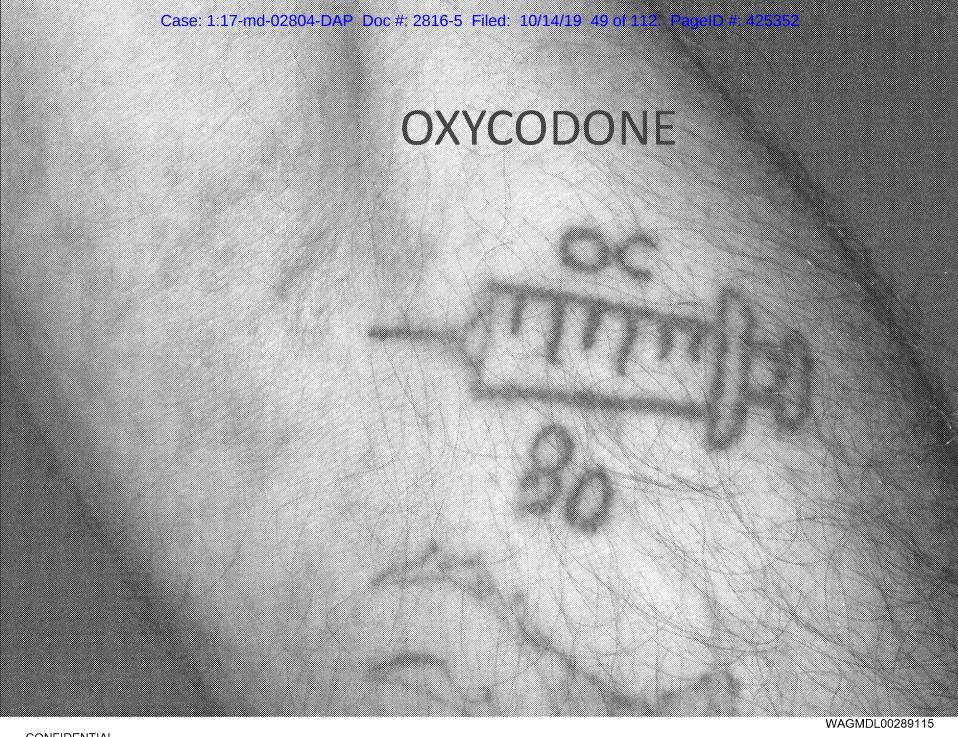
- Real estate
- Trip to relatives/friends house
- Easy access at home



Most commonly prescribed prescription medicine?

Hydrocodone/acetaminophen





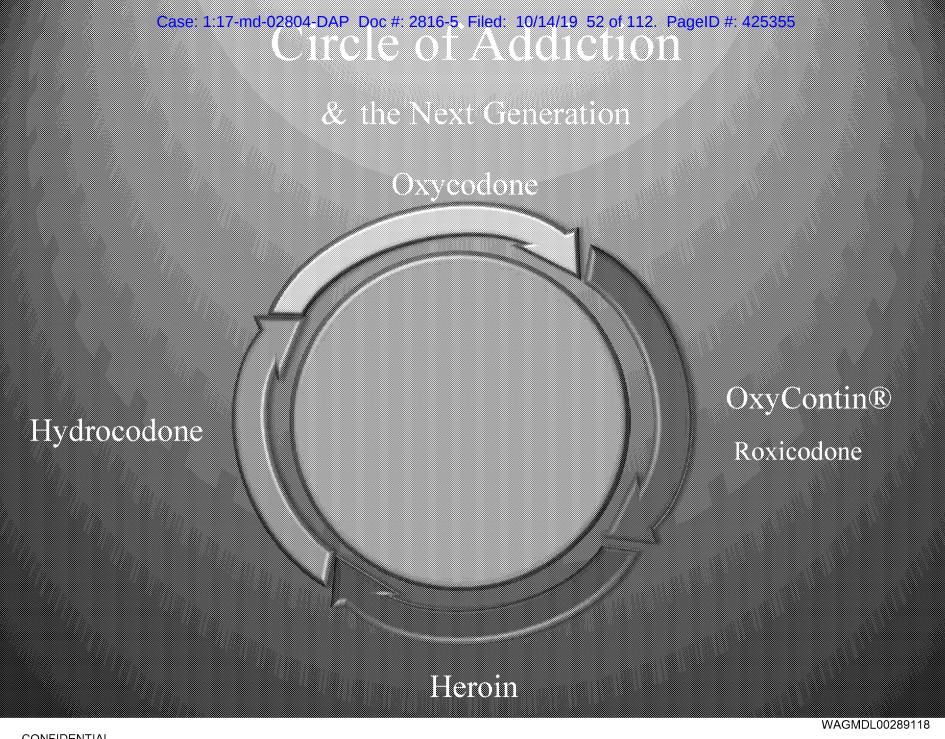
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OxyContin® (Schedule II)

- Controlled release formulation of Schedule II oxycodone
 - The controlled release method of delivery allows for a longer duration of drug action so it contains much larger doses of oxycodone
 - Abusers easily compromise the controlled release formulation by crushing the tablets for a powerful morphine-like high
 - Street Slang: "Hillbilly Heroin"
 - 10, 15, 20, 30, 40, 60, 80mg available
- Effects
 - Similar to morphine in effects and potential for abuse/dependence
- Street price: Approx. \$80 per 80mg tablet
- Since 2002, use among 12th graders has remained between approximately 4% and 5%*

SOURCE: 2007 Monitoring the Future study released April 2008





() A Case 1:17-md-02804-DAP Doc#: 2816-5 Filed: 10/14/19 53 of 112 PageID # 425356 () e () - Release Lablets - 5mg, 10mg, 20mg, and 40mg CII





Bluefield Paily Telegraph

William (Bandy) Deason

Thomas A. Colley
Cucume Editor

Same agree Terry . . . Managing backer

Armite itterania. It jan itvaaleen Then he arrangement and apoke to me, saying, this is the word of the LORD to Zerubbabet saying.
Not by arrange your by power, but by my epirit, said the LORD of basts."

(Zechariah 4:K ARJV)

Overdose deaths

Prescription drugs take deadly toll in WV

r alarming new study has found that prostription drugs killed more seeple in Wast Virginia in zone train litegal drugs. According to the report, ring out of the 10 accidental merdose deaths reported in the Mour tain Stats involved prescription drugs. Hosewhers in a folial state-federal study carre to the moubling conclusion after studying 4X2 accidental overdose autopsy reports, excluding suicides and overdoses, the Associated Press reportant

The report found that one-third of the prescription drugs taken during the fatal prescription taken being used as a result of a prescription taked by a declor within the last 36 days. The report found fewer than one in four of the deaths involved illegal nareous.

Aran Idali, a Contest for Discass Control Epidemic Intelligence Service Officer Int the West Virginia Department of Health and Human Resources, said there is a perception among some citizens that just because narectics are legal and prescribed drugs, they are somehow after

The report found that methodone contributed to one of three deaths, or more than any other prescription drug. However, the report found that only 10 of the overdose victims were corolled in a meshadone clinic for areas above treat-

i The report found that other openid I drugs trequently linked to accidental Layerdow deaths included hydrocodone

We must take steps now to educate either of the growing manher of accidental accordance deaths in the state associated with the missisc of legally prescribed dangs.

and expendence. The two nareaties contributed to one in five deaths. Morphine contributed to about one in seven deaths, the report found. Anti-anxiety drugs were found in 43 percent of the deaths.

While law enforcement officials have been fighting the Elegal drug scourge in our region for years, accidental everdose deaths associated with the misuse of prescription naccolies now represents an emerging epidemic for the Mountain State.

The alarming new study from the West Virginia Department of Health and Human Resources should be viewed as a self to action for our community. We must take steps now to aducate citizens of the growing number of accidental overduse desins in the state associated with the misuse of legally prescribed drugs.

We must set now to educate our community. If we fail to set, the number of accidental overdose deaths in the state and the region could continue to rise. It will take a combined effort of public education and law enforcement compensation to reduce these alarming statistics.

editorials

Rising methadone deaths.

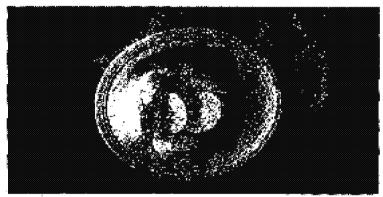
Our view: Baltimore public health officials are trying to find out if treatment for chronic pain sufferers accounts for increase in methadone overdoses

HE JUNE LETTER FROM THE BALITMORE REALTH Department alerted physicians, curses and other providers to a significant increase in methadone-related overdose deaths. The letter from Dr. Laura Herrera, a deputy city bealth commissioner, raised the possibility that the overdoses involved prescriptions for pain. It was a cautionary reminder that health care providers should educate their patients about the proper use of methadone and the lethal risks of taking extra doses.

Dr. Herrera was right to be concerned: Methadone overdose deaths of city residents have risen from seven in 1995 to 74 in 2007. In 2007, the last year for which statistics are available, there was a 23 percent increase in such deaths over the previous year. The city deaths coincide with a similarly disturbing fivefold increase in methadone related deaths nationally between 1999 and 2005. But proving that the use of methadone as a poin reliever caused these deaths lan't easy—no one tracks how thanky physicians prescribe methadone to relieve thronic pain from cancer or arthritis, for example.

Prescribing methadose has been an accepted form of treatment for chronic pain for some time, according to pain specialists at Johns Hopkins Hospital and the University of Maryland Medical Center. They add that they have seen no methadose-related deaths among their patients. Methadose used for pain treatment is prescribed in pilitorm; its risk stems from the drug's potency and its lingering presence in the body once its pain-relieving function has ceased. An extra descould slow down a patient's breathing, resulting in come or death.

To identify the extent of the problem and the patients most at risk, the city Health Department has reviewed data from the medical examiner's office. It also has asked the quant-public city agency that oversees drug treatment in Baltimare to cruze check methodone overdose victims against its patient resters. That's a critical aspect of the review because it rought the cover misses, abuse or diversion of methodone.



Methodore babiets in a cup. Baltamore by Fhoto: Edviescheim

from drug treatment centers. Or it could lend crydence to the prevailing view that more training is required for private physiciaus who prescribe methodone for pain.

At least 29 states have prescription monitoring programs that would identify indiscriminate prescribing, doctor-shopping and other abuses. A task force established this year in Maryland is studying the possibility of establishing a similar tracking system for methodone and other controlled substances.

Until them, Dr. Hercera and her colleagues at the Health Deportment have moved expeditiously and forthrightly to unravel this mystery. The results of their findings are the key to understanding and reversing this disturbing trend.



THE MOTHER LODE'S LEADING INFORMATION SOURCE

Report finds trends in child deaths

The Union Democras

Prescription drug abuse, spicide and vehicle accidents were the most prevaient causes of death last year among children and young adults in Tustumne County, according to a recently-released report,

up of officials from the Sheriff's Office. the Sonora Police Department, the Public Health Department, Child Welfare Services and other agencies, examined 11 deaths of youths through age 25. Most were teens and young aduita.

One of the concerning trends was a

The Child Death Review Team, made rise in abuse of prescription drugs, involved a mixture of alcohol and process of identifying the extent of particularly methadone, Shefiff's spokesman Lt. Dan Bressler said.

"What we're finding is even small amounts of methadoxe mixed with alcohol can cause death," he said, "It dosan't take much."

Three young people died of accidental overdose in 2007, two of which

methadone, a paiokiller also used to help with withdrawals of hersher drugs such as hemin,

Tuolumne County isn't the only area lo see a rise in prescription drug place. said Dr. Todd Stolp, county public héalth officer.

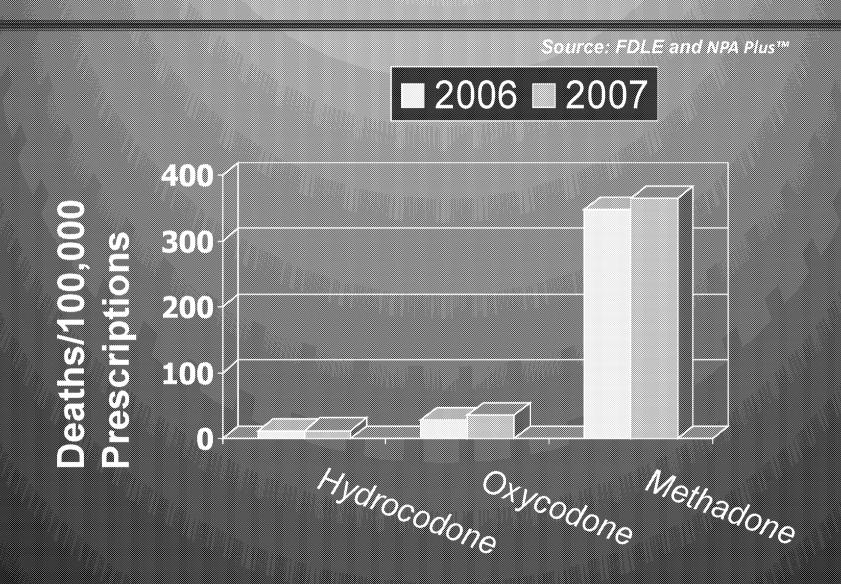
"It's a national lasue, but we'm in the

the problem and how to address the problem," he said.

There were three suicides in 2007. The number could be higher, however, because there were some drug-reinted cases in which there wern't coungle

SEF DEATMS/RANGE BAR

Deaths/100,000 Prescriptions in Florida



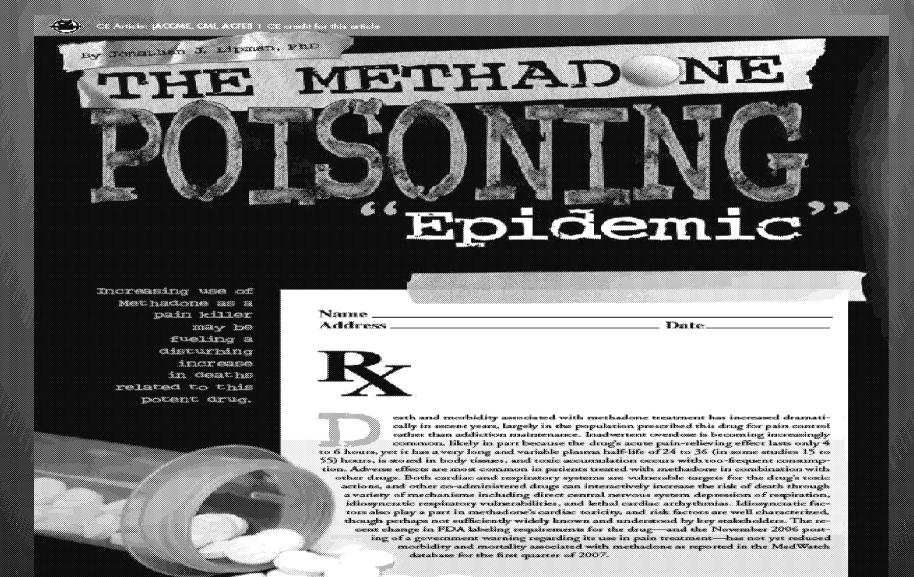
WHY IS IT ALSO USED AS AN ANALGESIC??????

Cheapest narcotic pain reliever – synthetic

Insurance companies

What's the problem?

One Pill Can Kill

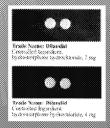


Other Narcotics

Fentanyl

Hydromorphone





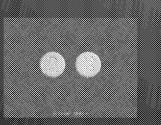
Meperidine



Morphine



Codeine



Propoxyphene





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- > Fentanyl Patches
- Fentanyl Citrate dispensed in a berry flavored lollipop-type unit
- Fentanyl is 100 times more potent than morphine
- Intended to be used for chronic cancer pain & only for people who are tolerant to prescription opioid (narcotic) pain medicines
- Abused for its intense euphoric effects



Pentora B

Actio[®]



ACTIO



Alprazolam Xanax® (Z-bars)

 Drug abusers often prefer alprazolam due to its rapid onset and longer duration of

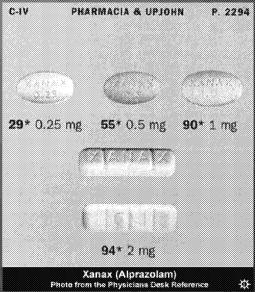
 Alprazolam was ranked third in the number of prescriptions for controlled substances in 2003, 2004, 2005 and 2006*

 For all sales of generic pharmaceuticals, alprazolam was ranked 7th**

* Source IMS Health

action

** Source Verisian VONA



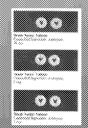
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Benzodiazepines

Alprazolam ->>> Clonazepam



Diazepam



Lorazepam



Midazolam

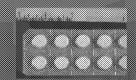


Triazolam



Temazepam

Flunitrazepam



Other Controlled Substances



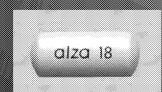
- Phentermine cave
- Phendimetrazine em
 - Bontrile





- Amphetamines
 - Adderall can
 - Methylphenidate сл
 - Ritaline
 - Concertag





Ritalin® / Concerta® / Adderall

- Used legitimately to treat ADHD
- > Used non-medically to get high and as an academic "performance-enhancer" to improve memory and improve concentration gain the edge
 - ➤ Higher GPA
 - ➤ Higher SAT / ACT score
 - Get that scholarship

Methods of Diversion

- Practitioners / Pharmacists
 - IIIegal distribution
 - Selfabras
 - Trading drugs for sex
- Employee pilferage
 - Hospitals
 - Practitioners' offices
 - Nursing homes
 - Retail pharmacies
 - Manufacturing / distribution facilities

- Pharmacy / Other Theft
 - Armed robbery
 - Burglary (Night Break-ins)
 - In Transit Loss (Hijacking)
 - Smilling
- Patients / Drug Seekers
 - Drug mes
 - Doeter-shopping
 - Forged / fraudulent / altered prescriptions
- The medicine cabinet / obituaries
- The Internet
- Pain Clinics

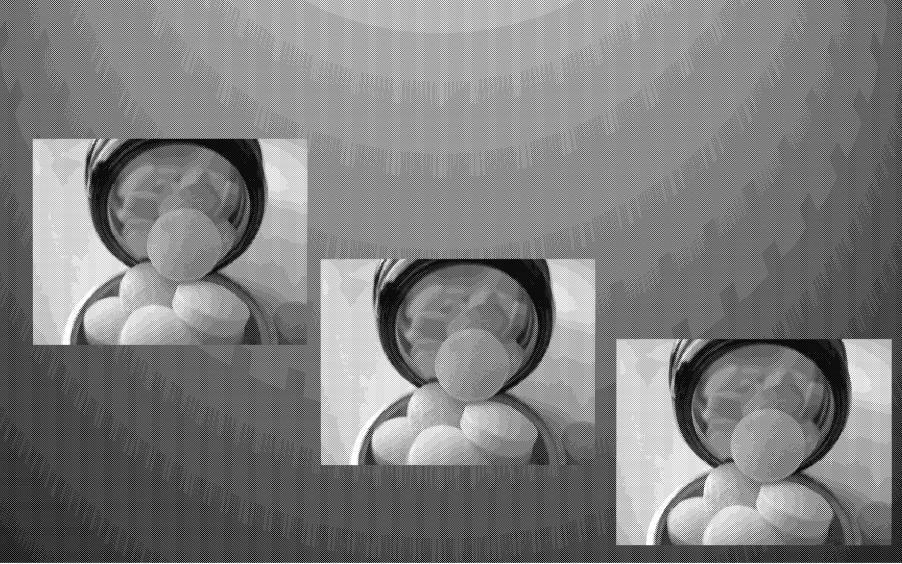
Where are the Pharmaceuticals Coming From?

- Medicine Cabinet
- Internet
- Pain Clinics
- Doctor Shoppers; RX Fraud; Practitioner Diversion

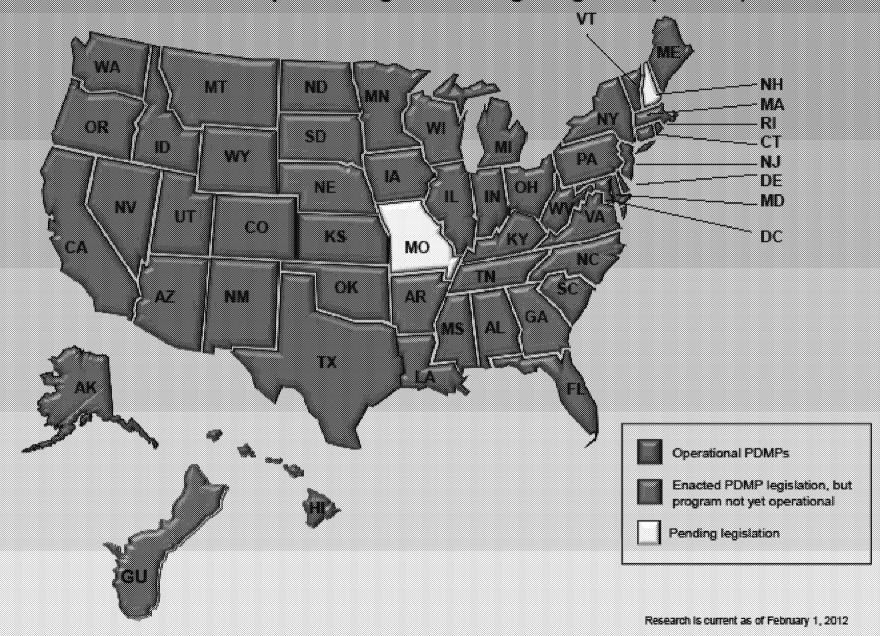
Prescription Fraud

- Fake prescriptions
 - Highly organized
 - Use real physician name and DEA Registrant Number
 - Contact Information false or "fake office"
 - (change locations often to avoid detection)
 - Prescription printing services utilized
 - · Not required to ask questions or verify information printed
- Stolen prescriptions
 - Forged
 - "Smurfed" to a large number of different pharmacies

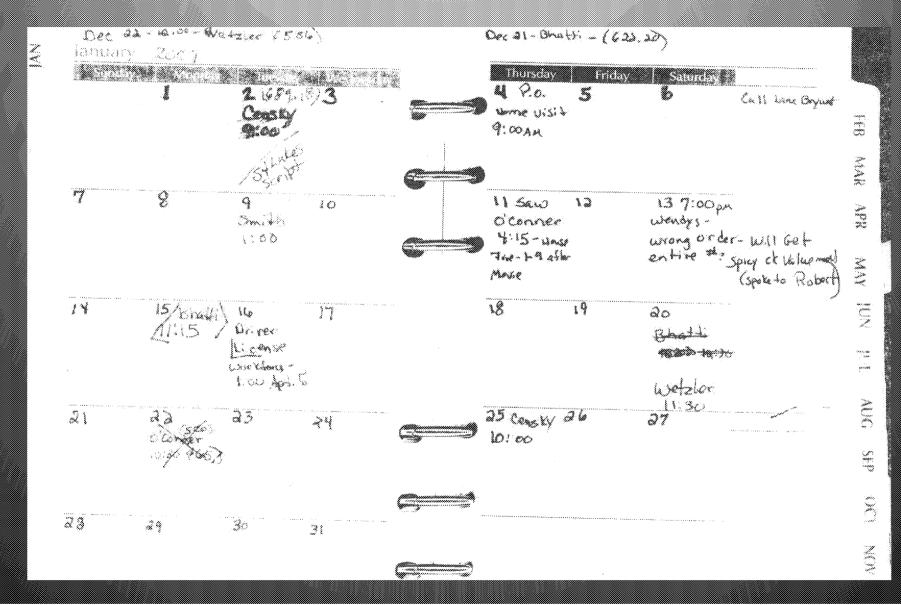
Doctor Shopping



Status of Prescription Drug Monitoring Programs (PDMPs)



Doctor Appointment Records



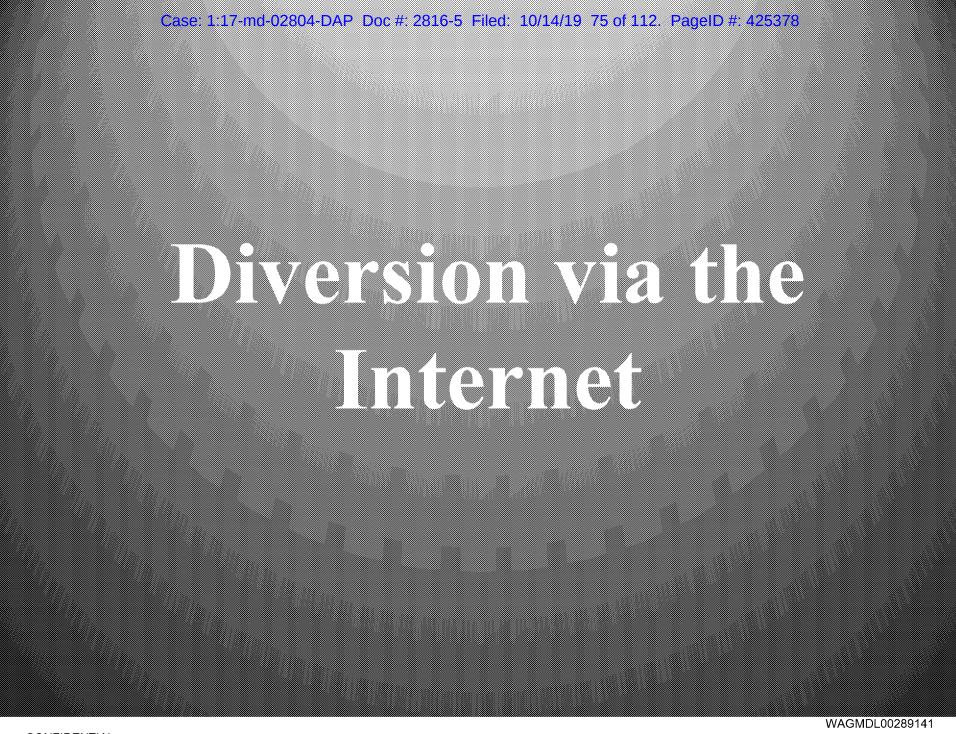
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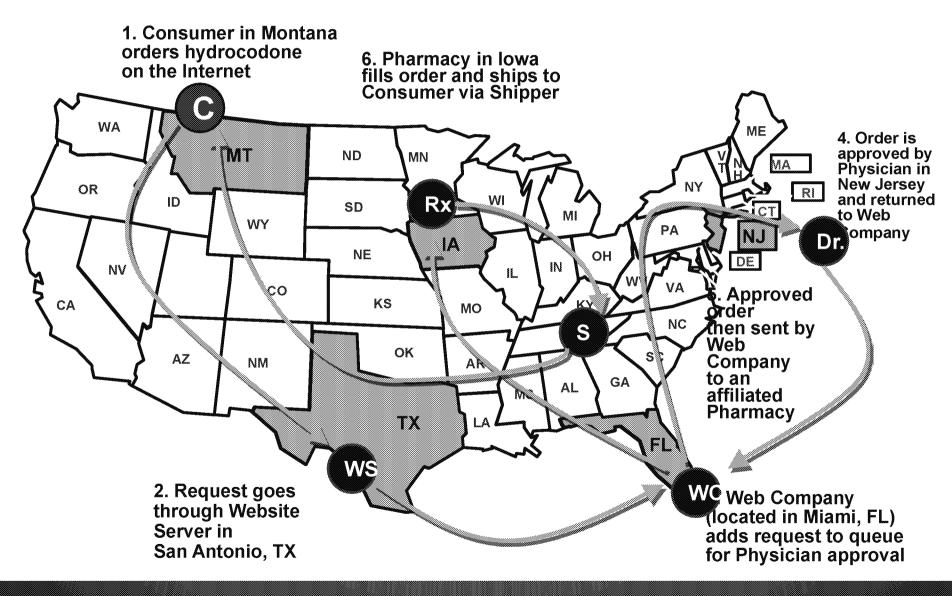
case: 127/tra4-effort8/691140 pins 1/601#: 425377 doctors and pharmacists is needed

"First, do no harm," the Hippocratic oath tells doctors. But how can physicians prescribing narcotics manage this without checking to see if patients are addicts? Painkiller prescriptions, related deaths and hospital admissions have skyrocketed on Long Island over the past few years. Two deadly drugstore robberies in 2011 highlighted the crisis on Long Island. A plan introduced by the state's attorney general could help by forcing doctors and pharmacists to check a database before providing narcotics to patients. It's necessary, but lobbying groups for doctors oppose it, fearing the administrative burden, and pharmacists are protesting too. Doctors and pharmacies seem to determine whether a patient is covered by insurance with ease. They should dedicate the same effort to determining whether patients can safely have medications.

2012 Newsday



Domestic 'R_X' Flow



New Felony Offense Internet Trafficking

- > 21 USC 841(h)(1): It shall be unlawful for any person to knowingly or intentionally:
 - (A) deliver, distribute, or dispense a controlled substance by means of the Internet, except as authorized by this title; or
 - (B) aid or abet any violation in (A)

What has been the reaction????

Per Se Violations

Automatic Violation of the CSA if any of the following occurs:

- No in-person medical evaluation by prescribing practitioner
- Online pharmacy not properly registered with <u>modified</u> registration.
- Website fails to display required information

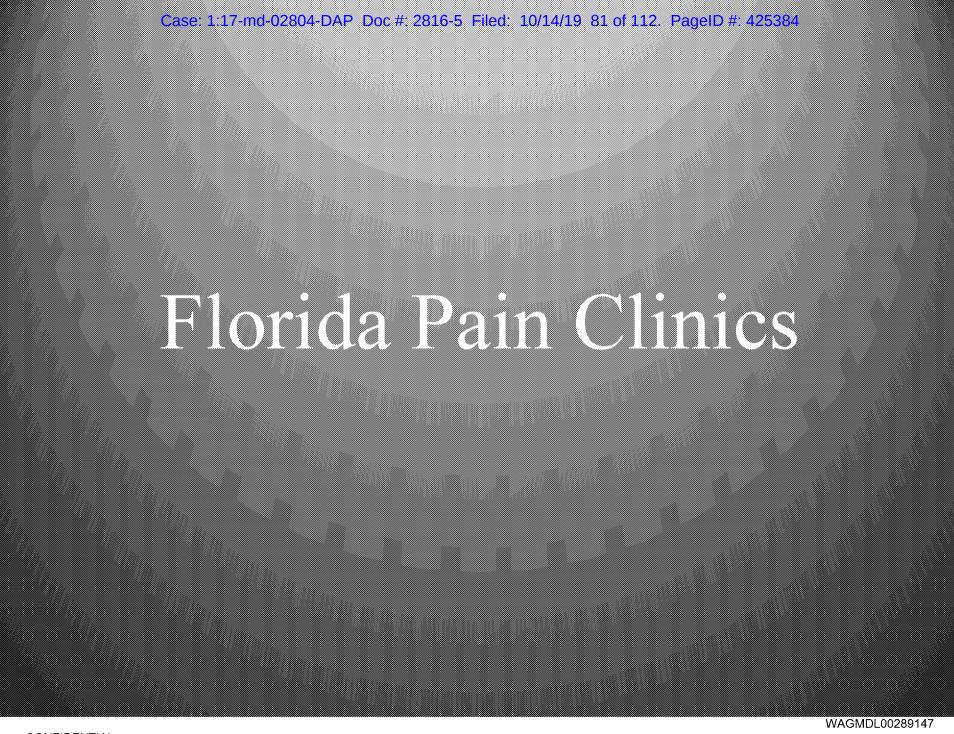
Current CSA Registrant Population

Total Population: 1,341,505

	Practitioner	1,040,496
	Mid-Level Practitioner	170,115
	Pharmaey	65,946
	Hospital/Clinic	15.702
	Manufacturer	525
	Distributor	805
	Researcher	6,357
7	Analytical Labs	1,504
	NTP	1,247
	ADS Machina	177

as of 1/21/2010

What took the place of Internet Medical Care and Internet CS pharmaceutical Distribution?





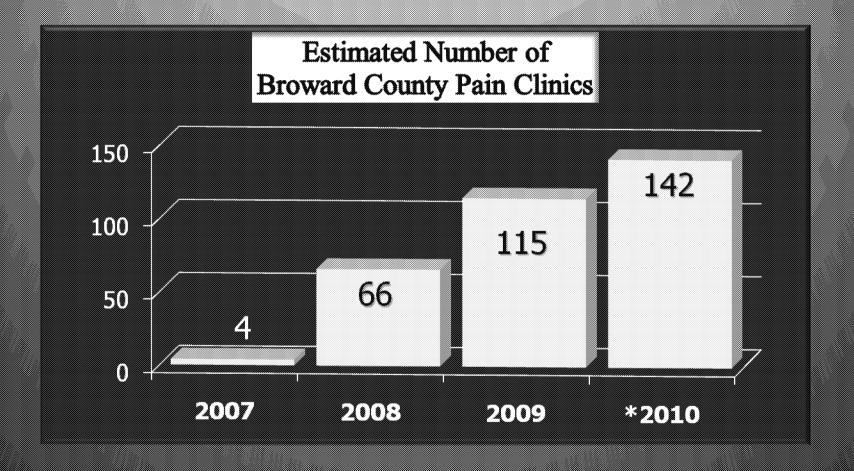
Increased Law Enforcement Pressure

- Clinics migrating north and west
- Funded by owners in Florida

Medical Care?

 Many of these clinics are prescription/dispensing mills.

Minimal practitioner/patient interaction



As of June 4, 2010, Florida has received 1,118 applications and has approved 1026 *As of May 14, 2010, Broward 142; Miami-Dade 79; Palm Beach 111

Case: 1:17-md-02804-DAP Doc #: 2816-5 Filed: 10/14/19 87 of 112. PageID #: 425390

- Vast majority of "patients" visiting Florida "pain clinics" come from out-of-state:
 - Georgia
 - Kenntaky
 - Termessee
 - $-0 \mathrm{hio}$
 - Massachuseits
 - New Jersey
 - North and South Carolina
 - Vinginia
 - West Virginia

THE MIGRATION



Drugs Prescribed

- ullet A 'cocktail' of oxycodone and alprazolam (Xanax $^{ar{\kappa}}$)
- An average 'patient' receives prescriptions or medications in combination

Schedule II	Schedule III	Schedule IV
Oxycodone 15mg, 30mg	Vicodin (Hydrocodone)	Xanax (Alprazolam)
Roxicodone 15mg, 30mg	Lorcet	Valium (Diazepam)
Percocet	Lortab	
Percodan	Tylenol #3 (codeine)	
Demerol	Tylenol #4 (codeine)	
Methadone		

Average Charges for a Clinic Visit

- Price varies if medication is dispensed or if customers receive prescriptions
- Some clinics advertise in alternative newspapers eiting discounts for new patients such as 'buy one get one free' or "50% off with this ad"
- Typically, initial office visit is \$250; each subsequent visit is \$150 to \$200
- Average 120-180 30mg oxycodone tablets per visit

Cost of Drugs

- The 'cocktail' prescriptions go for \$650 to \$1,000
- According to medical experts, most clinics do not require sufficient medical history and tests for proper prescribing of Schedule II substances
- Each oxycodone 30mg tablet costs \$1.75 to \$2.50 at the clinics
 - On the street in Florida, that pill can be re-sold for \$7 to \$15
 - Outside of Florida, it can be re-sold for \$25 to \$30 (\$1 per mg)

What's the Profit?

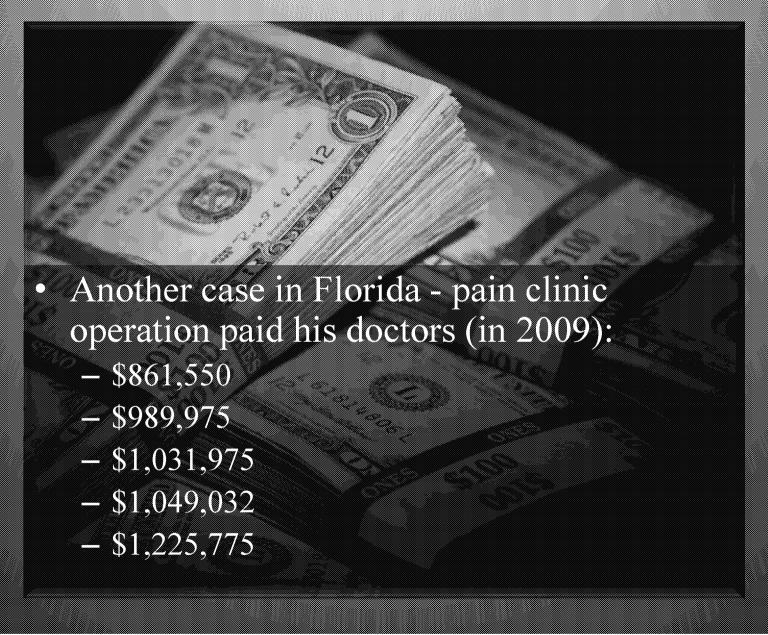


What's the Profit?



Houston investigation \$41.5 million in assets

What's the Profit?





Operation Pill Nation



This operation involved the mobilization of eleven Tactical Diversion Squads from across the United States to marshal with the Miami TDS and other state and local agencies in a concerted effort to attack and dismantle the hundreds of rogue pain clinics that continue to plague South Florida.

- On February 23, 2011, as part of Operation Pill Nation DEA conducted a coordinated effort with more than 500 state and local law enforcement officers in a massive takedown which included:
 - 21 search warrants executed at clinics, residences, and other locations in south Florida;
 - 25 arrested on various federal and state drug and money laundering charges, of which 5 were medical doctors and 5 were pain clinic owners;
 - Seizure of approximately \$7 million in assets. (\$3 million dollars in US currency, a variety of other real property, jewelry, and assets including 62 vehicles, some of which were exotic cars; and
 - Immediate Suspension Orders issued against 14 DEA registrations, 1 Order to Show Cause issued against 3 DEA registrations, and the surrender of 7 DEA registrations.

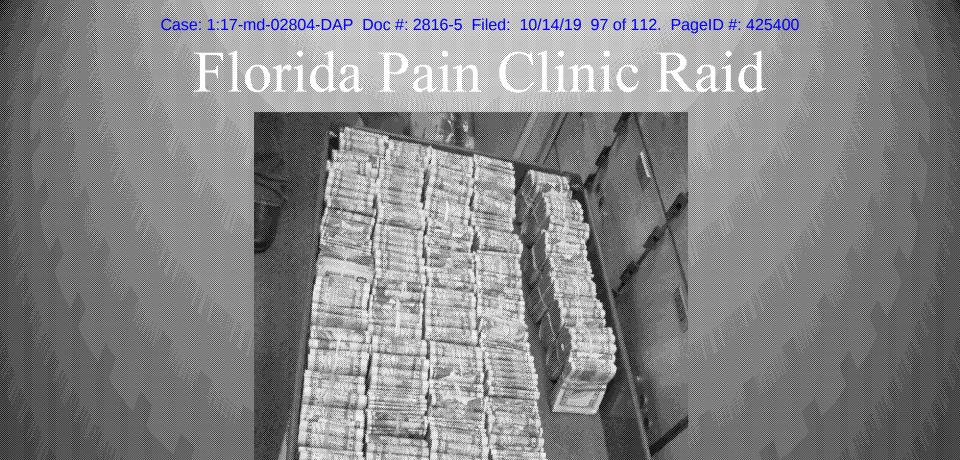


Operation Pill Nation con't



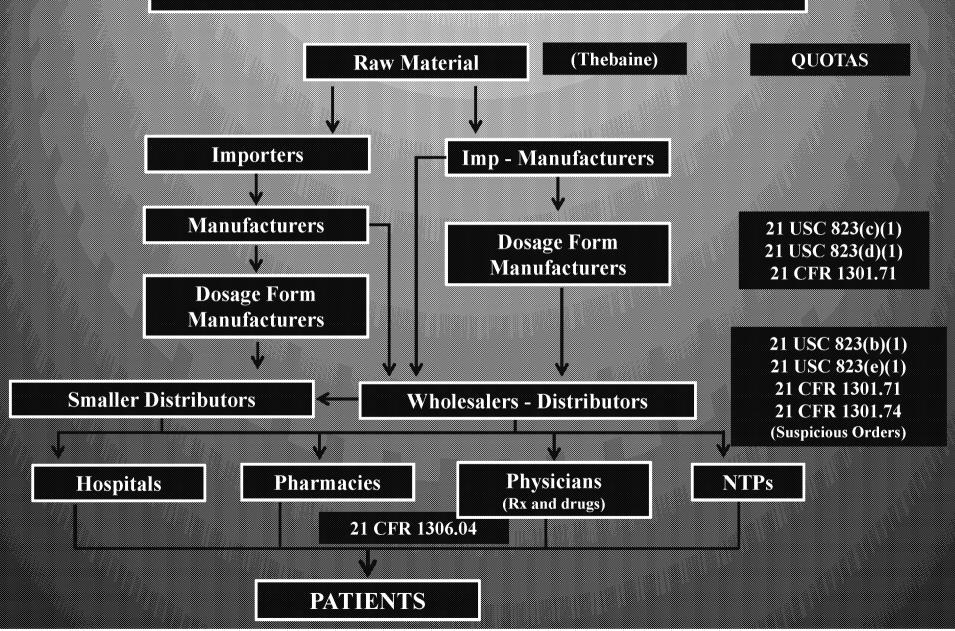
As of April 2011, Operation Pill Nation has resulted in:

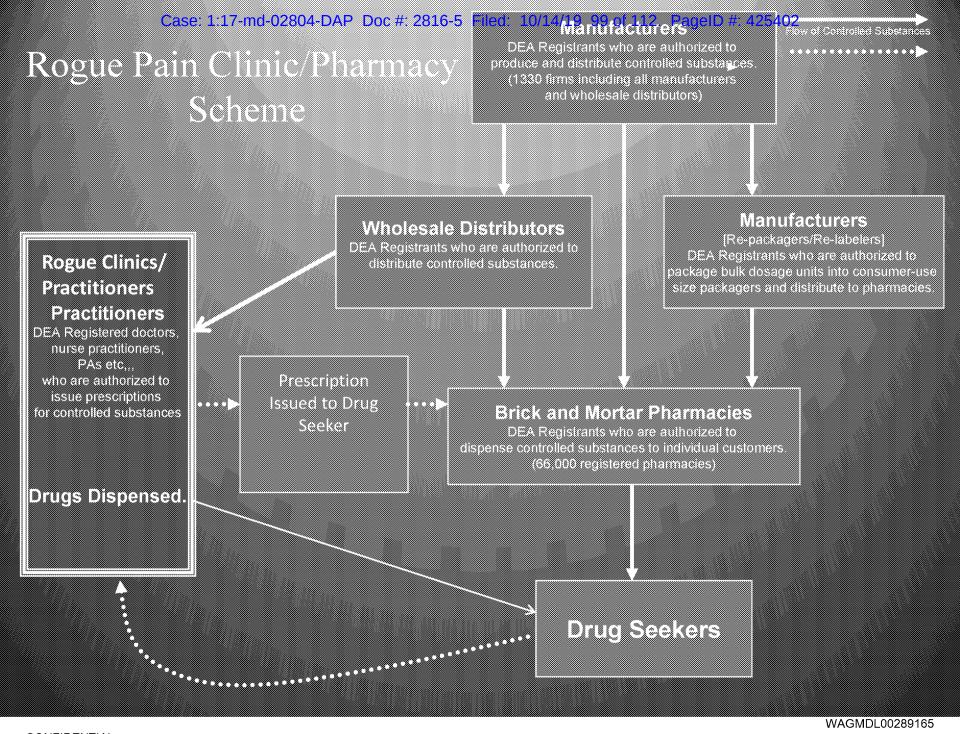
- The surrender of 83 DEA registrations (71 physicians, 8 pharmacies and 4 wholesale distributors):
 - I wholesale distributor's civil fine was \$8 million
- Immediate Suspension Orders issued against 63 DEA registrations (33 physicians, 1 distributor);
- Orders to Show Cause issued against 6 DEA registrations;
- 38 clinics closed;
- 32 arrests (12 physicians, 5 clinic owners and 15 clinic employees)
- Seizure of more than \$16.4 million in assets (\$11.9 million in US currency and approximately \$4.5 million in vehicles, jewelry, real property, and other assets).



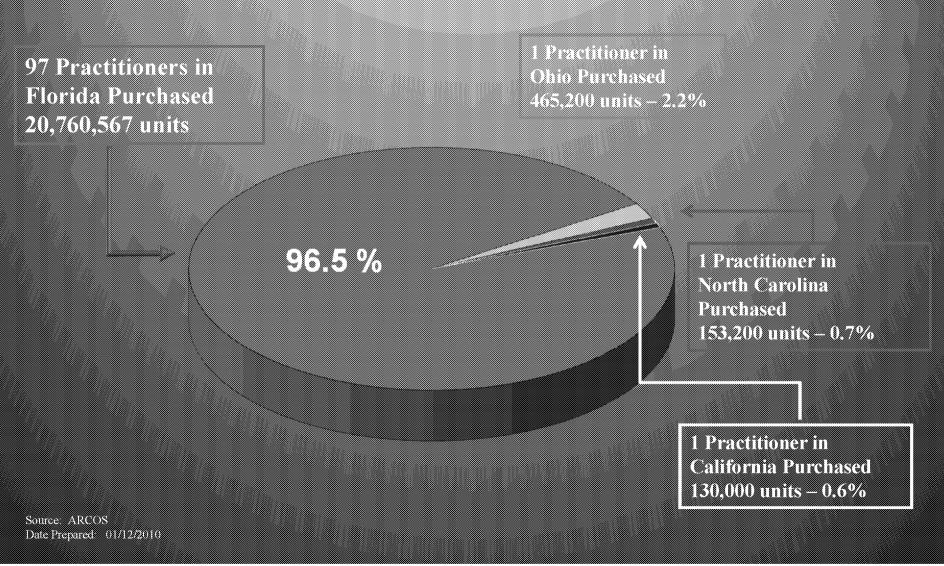
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The Flow of Pharmaceuticals

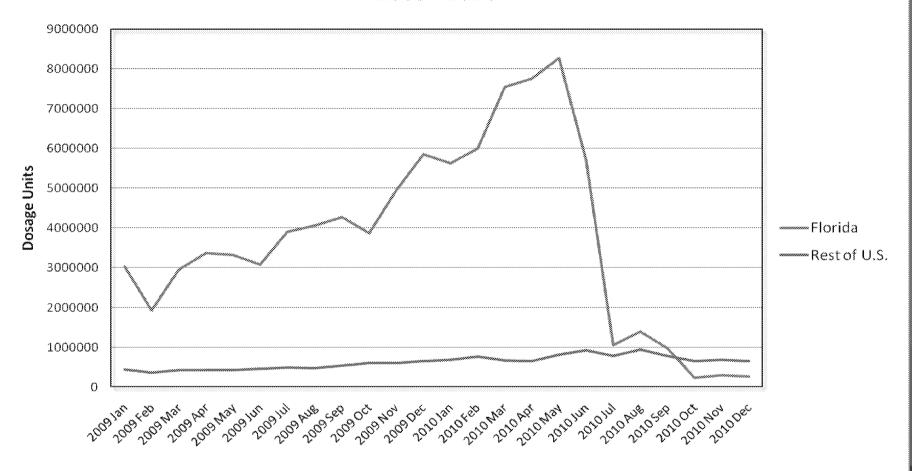




Top 100 Practitioner Purchasers of Oxycodone Nationwide January 1, 2009 – September 30, 2009



Monthly Oxycodone Sales to Practitioners 2009 - 2010



June 2010 DEA takes action against four wholesale distributors supplying doctors who were dispensing from rogue pain clinics.

21 CFR § 1306.04

- To be effective, a prescription for a controlled substance must be issued
 - for a legitimate medical purpose by an individual practitioner
 - who is acting in the usual course of his professional practice

21 CFR §1306.04

The responsibility for the proper prescribing and dispensing of controlled substances is upon the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription.

An order purporting to be a prescription issued not in the usual course of professional treatment or in legitimate and authorized research is not a prescription within the meaning and intent of Section 309 of the act (21 USC § 829) and the person knowingly filling such a purported prescription, as well as the person issuing it, shall be subject to the penalties provided for violations of the provisions of law relating to controlled substances.

State of Florida Legislative Actions

- Effective October 1, 2010
 - Pain clinics are banned from advertizing that they sell narcotics
 - They can only dispense 72-hour supply of narcotics
 - Violation is a 3rd degree felony
 - Increased training for physicians will be required
 - Effective July 1, 2012, a physician cannot practice at a pain clinic if:
 - Has not completed a pain medicine fellowship, or
 - Has not completed a pain medicine residency, or
 - Grandfather physicians currently practicing in clinics prior to July 1, 2012 and complying with Board rules
 - State Department of Health will now be able to pass on any information in the PDMP database to law enforcement
 - Prohibits the registration of pain clinics unless they are owned by physicians or licensed by non-physicians as a health care clinic
 - Will deny any registration if doctor's DEA registration was ever revoked
 - Will deny if applicant has ever been convicted of a felony drug offense

- Clinics must turn over their supply of C-II and C-III controlled substances
- Clinics are no longer able to dispense these drugs
- Clinics cannot have ANY affiliation with a doctor that has lost a DEA number

- Pharmacies must report all prescription fraud: failure to do so can result in a 1° misd.
- 3rd degree felony for burglary structure or conveyance where there is theft of controlled substance
- Amends PDMP from 15 day reporting to 7 day reporting

Clinic response to the Blorida legislation prohibiting the sale of CS from pain clinics?

Buy Pharmacies!!

BEET PITCES EUSEIF: YY-YA-D-02804-DAR a DOG #: p2816-5etFilodot 10/114/119m1-09pot dn12fia RagehDiff: o428412nd creating

Low cattle supplies, strong foreign demand for U.S. beef help fuel price boost, 18.

Preserving pets after death growing popular as an option

Taxidermist Daniel Ross acknowledges it's a controversial topic, but says the owners "aren't weird, they just really love their pets." 3A.

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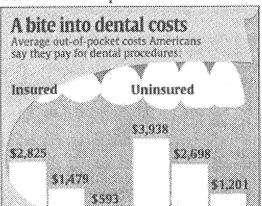


Crossword, Sudoku 50 Editorial/Forum 6-7A Market trends Marketolace Today 50: State-by-state TV listings

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nal record of pump-and-dump stock fraud.

The former computer hacker is the principle figure behind Megaupload, which U.S. prosecutors charge was a global empire that reaped a mega-fortune from illegal digital distribution of movies, songs and other copyright works.

In a New Zealand jail awaiting extradition to the USA on charges of racketeering, money-

one of the Web's most popular and controversial sites - a site that came into the government's cross-hairs two years ago after a complaint from the Motion Picture Association of America.

In the days after Dotcom's arrest, the case has triggered an angry response from the hacker

Please see COVER STORY next page ▶

Dealers creative in oxycodone bid

Fewer pills

oxycodone pills purchased by

Florida pharmacies

and practitioners:

Number of

(in millions)

43.3

34.3

Dec.

2011

30

20

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2010

Source: Orag Enforcement

hy halle Soutier, USA TODAY

They try to open pharmacies after Florida targets 'pill mills'

By Donna Leinwand Leger USA TODAY

Drug dealers are finding creative ways around new laws that crack down on "pill mills" dispensing powerful painkillers such as oxycodone.

In Florida, hundreds of people tried to open pharmacies after the state barred doctors from dispensing the narcotics directly from their clinics and forced patients to fill their prescriptions at pharmacies. Others moved their operations to Georgia, state police and federal agents say.

"Traffickers adapt to situations," says Mark Trouville, special agent in charge of the Drug Enforcement Administration's field offices in Florida. "We knew once we put pressure on the pill mills, the wrong people would start opening pharmacies."

Florida was the nation's center of prescription-painkiller distribution until the state enacted laws last year

aimed at pill mills - clinics where doctors perform cursory examinations on people with dubious injuries and dispense addictive painkillers.

Since then, the number of Florida doctors among the nation's top 100 oxycodone-purchas-

A pharmacy must register with the DEA and be licensed by the state to dispense controlled substances, which include many drugs that require a

doctor's prescription. The DEA can deny a registration if an applicant has been convicted of a drug-related crime or agents find a connection to a pill mill or other activity that poses a threat to public health and safety.

At least 37 pharmacy applicants withdrew their applications in 2011, Trouville says. "They feel the squeeze and move on," he says.

Still, questionable pharmacies are selling thousands of oxycodone and hydrocodone pills to people recruited by drug dealers to get prescriptions from pain clinics, "They're not selling Band-Aids and aspirin," Trouville says, "There's nothing but an empty room with a bulletproof window."

Pharmacy applicants turned down in Florida often try their luck in Georgia, says Rick Allen, director of the Georgia Drugs and Narcotics Agency. Of new non-chain drugstore applications, about 95% have some connection to Florida, he says.

"The people come completely out of left field without any pharmacy background and open a pharmacy in a sleazy strip mall right down the road from a pain clinic," Allen says, "You do a cursory background on them, and they're living in a doublewide in Pembroke Pines, Fla."

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Pharmacy Applications for Registration

	2008	2009	2010	2011 (as of 9/22/11
Registered Pharmacies in US	65,065	65,991 1.4%	66,766 1.2%	66,934 .03%
Registered Pharmacies in FL	4,343	4,403	4,741	4,809
New Applications in US (Independent Pharmacies)	2,230	2,192 <1.73%>	2,010 <8.3%>	1,840 <8.5%>
New Applications in FL (Independent Pharmacies)	271	250 <7.7%>	388 55.2%	290 <25.25%>
New Applications in Miami area (Independent Pharmacies)	130	79 <39.2%>	118 49.4%	126 6.8%
New Applications in Ft. Lauderdale area (Independent Pharmacies)	37	52 40.5%	81 55.8%	58 <28.4%>



Questions

